

11.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

11.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by telex or facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by telex, graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as set forth below:

- (a) If to the Seller or the Shareholders, then to:

JSB Acquisition Corp.  
950 Third Avenue, 23<sup>rd</sup> Floor  
New York, New York 10022  
Telecopy Number: (212) 688-7908

with a copy, given in the manner prescribed above, to:

Brown, Raysman, Millstein, Felder & Steiner LLP  
120 West Forty-fifth Street  
New York, New York 10036  
Telecopy Number: (212) 840-2429

Attn: Robert Unger, Esquire

- (b) If to the Buyer then to:

Max Media of Montana LLC  
900 Laskin Road  
Virginia Beach, Virginia 23451  
Telecopy Number: (757) 437-0034

Attn: A. Eugene Loving, Jr.

with a copy, given in the manner prescribed above, to:

Williams, Mullen, Clark & Dobbins, P.C.  
Suite 900  
One Columbus Center  
Virginia Beach, Virginia 23462  
Telecopy Number: (757) 473-0395

Attn: Thomas R. Frantz, Esquire

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

11.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.5 GOVERNING LAW. THIS AGREEMENT AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS.

11.6 Entire Agreement. This Agreement and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

11.7 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

11.8 Gender and Number. Where appropriate to the context, pronouns of other terms expressed in one number or gender will be deemed to include all other numbers or genders. The word "person" will include one or more individuals, corporations, firms, partnerships, entities

or associations. The use of a word in one tense will include the other tenses, where appropriate to the context.

11.9 Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other person, entity, enterprise or association is an intended or incidental beneficiary of this Agreement.

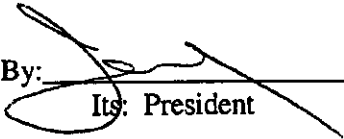
11.10 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claim ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

11.11 Seller's Name. Immediately after the Closing, the Seller shall cause all members of the CTN Group to adopt and file with the Montana Secretary of State amendments to their Articles of Incorporation changing their names to other names approved by the Buyer, which approval will not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

**SELLER:**

**JSB ACQUISITION CORP.,**  
a Delaware corporation

By:  \_\_\_\_\_  
Its: President

**BUYER:**

**MAX MEDIA OF MONTANA LLC,**  
a Virginia limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

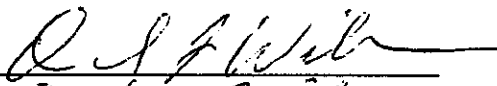
**SELLER:**

**JSB ACQUISITION CORP.,**  
a Delaware corporation

By: \_\_\_\_\_  
Its: President

**BUYER:**

**MAX MEDIA OF MONTANA LLC,**  
a Virginia limited liability company

By:   
Its: Vice President

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## EXHIBIT B



April 5, 1996

Continental Television Network Inc.  
118 6th Street  
Great Falls, Montana 59405

Gentlemen:

In connection with that certain Affiliation Agreement (the "Agreement") dated April 5, 1996, between NBC Television Network ("NBC") and Continental Television Network Inc., licensee of television broadcast station KTGF, (collectively, the "Station"), the Station and NBC hereby agree as follows:

1. NBC will reimburse Station for up to \$30,000 per year for certain amounts expended by Station each year during the term of the Agreement for promotional expenditures such as marketing, advertising and off-air promotion of NBC programming and Station (collectively, the "Promotional Expenses"), subject to the terms and conditions hereof; provided that the maximum amount to be reimbursed by NBC hereunder shall be \$30,000 per year. Station agrees to work with NBC's Affiliate Advertising and Promotion department to develop a mutually satisfactory plan for the incurrence of such Promotional Expenses; provided that Station acknowledges that NBC programming shall have a presence in all advertising and promotion included in such Promotional Expenses. Station shall furnish NBC with reports, invoices and other applicable documentation to substantiate the amount of all Promotional Expenses to be reimbursed by NBC hereunder. All amounts owed by NBC pursuant to the foregoing shall be paid on a quarterly basis within thirty (30) days after the end of the calendar quarter in which NBC receives such invoices and other applicable documentation for incurred Promotional Expenses.

2. NBC agrees that, notwithstanding the provisions of Paragraphs 2(b) and 3(a) of the Agreement, Station shall not be required to clear "Later with Greg Kinnear" or "Friday Night" in the event and to the extent that Station signs off prior to the Live Time Period for such programming; provided that in the event

of any such non-clearance, Station shall be required to reinstate such programming, as applicable, in the event that Station extends the broadcast day through such Live Time Period or later.

3. Each defined term used herein without definition shall have the meaning assigned to such term in the Agreement.

Please indicate your acceptance of the foregoing by signing in the space indicated below.

Very truly yours,

NBC TELEVISION NETWORK

By: 

Name: John F. Damiano  
Title: Sr. VP, Affiliate Relations

The foregoing has been reviewed  
by, and is acceptable to,  
CONTINENTAL TELEVISION NETWORK INC.

By: 

Name: Penny L. Adkins  
Title: Corporate VP





April 5, 1996

Continental Television Network Inc.  
118 6th Street  
Great Falls, Montana 59405

RE: KTGF (Great Falls, Montana)

Gentlemen:

The following shall comprise the agreement between us for the affiliation of your television broadcasting station KTGF (Continental Television Network Inc. and KTGF collectively herein called "Station") with the NBC Television Network (herein called "NBC") and shall supersede and replace our prior agreement dated May 1, 1986, except for the most recent amendment with respect to network non-duplication protection under Federal Communications Commission ("FCC") Rules Section 76.92.

1. Term. This Agreement shall be deemed effective at 3:00 A.M., New York City time as of the 1st day of July, 1995 and, unless sooner terminated as provided in this Agreement, it shall remain in effect for a period of ten (10) years thereafter. It shall then be renewed on the same terms and conditions for a further period of five (5) years and for successive further periods of five (5) years each, unless and until either party shall, at least twelve (12) months prior to the expiration of the then current term, give the other party written notice that it does not desire to have this Agreement renewed for a further period.

2. NBC Programming.

(a) NBC shall deliver to Station for free, over-the-air television broadcasting all programming which NBC makes available for broadcasting in the community to which Station is presently licensed by the FCC, except as otherwise expressly provided herein.

(b) NBC commits to supply sufficient programming throughout the term of this Agreement for the hours presently programmed by it (the "Programmed Time Periods"), which Programmed Time Periods are as follows (the specified times are all local time in Station's community of license):

Prime Time: Monday thru Saturday - 7:00-10:00 P.M.  
Sunday - 6:00-10:00 P.M.

Late Night: Monday thru Thursday - 10:35 P.M.-1:05 A.M.  
Friday - 10:35 P.M. - 1:35 A.M.  
Saturday - 10:30 P.M.-12:00 Midnight

News: Monday thru Friday - 6:30-9:00 A.M.  
and 4:30-5:00 P.M.  
Saturday - 7:00-9:00 A.M. and 4:30-  
5:00 P.M.  
Sunday - 7:00-8:00 A.M., 9:00-10:00 A.M. and  
4:30-5:00 P.M.

Daytime: Monday thru Friday - 9:00-11:00 A.M. and  
2:00-4:00 P.M.  
Saturday - 9:00-11:30 A.M.

The selection, scheduling, substitution and withdrawal of any program or portion thereof delivered to Station during the Programmed Time Periods shall at all times remain within the sole discretion and control of NBC. The parties acknowledge that local and network programming needs may change during the term of this Agreement, and each party agrees throughout the term to negotiate in good faith with the other party any proposed modification of the Programmed Time Periods.

(c) In addition to the programming supplied pursuant to Paragraph 2(b) above, NBC shall offer Station throughout the term of this Agreement a variety of sports, special events and overnight news programming for television broadcast at times other than the Programmed Time Periods. Station shall have the right of first refusal with respect to any such programming good for seventy-two (72) hours as against any other television station located in Station's community of license or any television program transmission service furnishing a television signal to Station's community of license, including, but not limited to, any community antennae television system, subscription television service, multipoint distribution system and satellite transmission service. Station shall notify NBC of its acceptance or rejection of NBC's offer of such programming as promptly as possible. Station's acceptance of NBC's offer shall constitute Station's agreement to broadcast such programming in accordance with the terms of such offer and this Agreement. Notwithstanding any other provision in this Agreement, no pre-existing acceptance of NBC programming shall be superseded or otherwise affected by this Agreement, and those acceptances shall remain in full force and effect. With respect to NBC programs outside the Programmed Time Periods (either offered or already contracted for pursuant to this Agreement), nothing herein contained shall prevent or hinder NBC from (i) substituting one or more sponsored or sustaining programs, in which event NBC

shall offer such substituted program or programs to Station in accordance with the provisions of this Paragraph 2(c), or (ii) canceling one or more such NBC programs; provided, however, that NBC shall exercise all reasonable efforts to give Station at least three (3) weeks prior written notice of such substitution or cancellation. Station shall not be obligated to broadcast, and NBC shall not be obligated to continue to deliver, subsequent to the termination of this Agreement, any programs which NBC may have offered and which Station may have accepted during the term hereof.

3. Station Carriage in Programmed Time Periods.

(a) Station agrees that, subject only to the preemption rights set forth herein, including Station's unqualified right to preempt for Station's live coverage of local news events, Station shall broadcast over Station's facilities all NBC programming supplied to Station for broadcast in the Programmed Time Periods on the dates and at the times the programs are scheduled by NBC, except to the extent that Station is actually broadcasting programming pursuant to (and within the specified limits of) a commitment contemplated by Paragraph 3(b) below. As used herein, the "live coverage of local news events" with respect to Station's preemption rights shall in no event refer to the addition of scheduled local news programs as part of Station's regular continuing program schedule.

(b) As an inducement for NBC to enter into this Agreement, Station covenants, represents and warrants to NBC that during any Broadcast Year (as hereinafter defined) during the term hereof, Station shall preempt no more than ten (10) hours in the aggregate of NBC programs during the Prime Time Programmed Time Period for any reason other than for the live coverage of news events (the "Prime Time Preemption Amount"). For the purposes of this Agreement, a "Broadcast Year" shall mean a twelve (12) month period during the term hereof which commences on any September 1 during the term hereof and which ends on August 31 of the immediately following year. Station hereby confirms that its rights and obligations under this Paragraph 3(b) are consistent with the provisions of Paragraph 4(c) below.

(c) The Station hereby agrees to accept and clear all sports programming offered to the Station by NBC outside the Programmed Time Periods ("NBC Sports Programming"), except for NBC sports programming which directly conflicts with Station's coverage of sports events and special events of particular local interest (collectively, such coverage of such sports events and special events are referred to below as "Special Programs"). Station agrees not to broadcast more than five (5) hours of Special Programs outside the Programmed Time Periods in the aggregate during any Broadcast Year during the term of this Agreement which would conflict with NBC Sports Programming

outside the Programmed Time Periods (the "Sports Preemption Amount").

(d) Notwithstanding the foregoing provisions of subparagraphs (b) and (c) above and without limiting the provisions thereof, Station agrees that in any one month period during a Broadcast Year, Station's preemptions of NBC Prime Time programs and NBC Sports Programming shall not exceed 20% of, respectively, the Prime Time Preemption Amount and the Sports Preemption Amount, unless otherwise consistent with Station's programming practice. In addition, Station agrees that in no event shall Station preempt NBC programming for any programming offered or syndicated by any other broadcast television network; provided that such agreement by Station shall only be deemed in effect to the extent consistent with applicable law.

#### 4. Preemptions.

(a) In the event that Station, for any reason, fails to broadcast or advises NBC that it will not broadcast any NBC programming as provided herein, then, in each case, Station, upon notice from NBC to Station, shall broadcast such omitted programming and the commercial announcements contained therein (or any replacement programming and the commercial announcements contained therein) during a time period or periods which the parties shall promptly and mutually agree upon and which shall, to the extent possible, be of a quality and rating value comparable to that of the time period or periods at which such omitted programming was not broadcast as provided herein. In the event that the parties do not promptly agree upon a time period or periods as provided in the preceding sentence, then, without limitation to any other rights of NBC under this Agreement or otherwise, NBC shall have the right to license the broadcast rights to the applicable omitted programming (or replacement programming) to another television station located in Station's community of license.

(b) In the event that Station preempts or fails to clear or broadcast any NBC programming as provided herein for any reason other than: (i) the live coverage of local news events, (ii) as permitted by Paragraphs 3(b), 3(c) or 3(d) above, (iii) force majeure as provided for in Paragraph 11 below, or (iv) because: (A) the programming is delivered in a form which does not meet accepted standards of good engineering practice; (B) the programming does not comply with the rules and regulations of the FCC; or (C) Station reasonably believes that such programming would not meet prevailing contemporary standards of good taste in its community of license, then, without limiting any other rights of NBC under this Agreement or otherwise, upon NBC's request, Station shall pay NBC, or NBC may deduct or offset from any amounts payable to Station hereunder or under any other agreement between Station and NBC (or an entity controlling, controlled by or under common control with NBC), an amount equivalent to NBC's

loss in net advertising revenues attributable to the failure of Station to broadcast such program in Station's market as scheduled by NBC, which amount shall be calculated in accordance with Exhibit A hereto. Without limiting or affecting any other determination of a material breach hereunder, any failure by Station to pay any amount due under this Paragraph 4(b) shall be deemed a material breach of this Agreement. In the event of Station's material breach of this Agreement, without limiting any other of NBC's rights of NBC under this Agreement or otherwise, NBC shall have the option, exercisable in its sole discretion upon thirty (30) days' written notice to Station, to either (x) terminate Station's right to broadcast any one or more series or other NBC programs, as NBC shall elect, and, to the extent and for the period(s) that NBC elects, thereafter license the broadcast rights to such series or other NBC program(s) to any other television station or stations located in Station's community of license or (y) unless the breach is cured within such thirty (30) day period, terminate this Agreement. Station acknowledges that NBC programming previously broadcast by Station has been consistent with the standards set forth in the foregoing clause (C); Station also agrees that Station's reasonable belief that an NBC program does not meet such standards will be based on a substantial difference in such program's style and content from NBC programs previously broadcast by Station, unless the relevant standards in the Station's community of license have changed.

(c) With respect to programs offered or already contracted for pursuant to this Agreement, nothing herein contained shall be construed to prevent or hinder Station from: (i) rejecting or refusing any NBC program which Station reasonably believes to be unsatisfactory or unsuitable or contrary to the public interest, or (ii) substituting a program which, in Station's opinion, is of greater local or national importance; provided, however, that Station shall give NBC written notice of each such rejection, refusal or substitution, and the reason therefor, at least three (3) weeks in advance of the scheduled broadcast, or as soon thereafter as possible (including an explanation of the cause for any lesser notice). Station confirms that its determination that a substitute program is of greater local or national importance shall be based on Station's reasonable good faith judgment.

5. Station Compensation. In further consideration of Station's performance of its obligations under this Agreement NBC shall compensate Station as follows:

(a) (i) NBC shall pay Station for Station's broadcast of each network sponsored program or portion thereof (except those specified in Paragraph 5(b) below) which is broadcast during the Live Time Period therefor the amount resulting from multiplying the following:

(A) Station's Network Station Rate, which is \$205; by

- (B) The percentage set forth in the compensation matrix table attached hereto as Exhibit B (the "Compensation Table") opposite the applicable time period; by
- (C) The fraction of an hour substantially occupied by such program or portion thereof; by
- (D) The fraction of the aggregate length of all Commercial Availabilities during such program or portion thereof occupied by Network Commercial Announcements.

As used herein, "Live Time Period" shall mean the time period or periods as specified by NBC for the broadcast of a program by Station; "Commercial Availability" shall mean a period of time made available by NBC during a network sponsored program for one or more Network Commercial Announcements; and "Network Commercial Announcement" shall mean a commercial announcement broadcast over Station during a Commercial Availability and paid for by or on behalf of one or more of NBC's network advertisers, not including, however, announcements consisting of billboards, credits, public service announcements, promotional announcements and announcements required by law.

(ii) For each network sponsored program or portion thereof (except those specified in Paragraph 5(b) below) which is broadcast by Station during a time period other than the Live Time Period therefor, NBC reserves the right, in its sole discretion, to withhold payment of compensation for such program. If NBC does not withhold payment of compensation for such program, NBC shall pay Station as if Station had broadcast the program or portion thereof during such Live Time Period, except that if the percentage set forth in the Compensation Table opposite the time period during which Station broadcasts the program or portion thereof is less than that set forth opposite such Live Time Period, NBC shall pay Station on the basis of the time period during which Station broadcasts the program or portion thereof.

(b) NBC shall pay Station such amounts as NBC and Station shall agree upon for all network sponsored programs broadcast by Station consisting of:

- (i) Sports programs;
- (ii) Special events programs, and
- (iii) Programs for which NBC specifies a Live Time Period which straddles any of the time period categories in the Compensation Table.

(c) (i) On or about the fifteenth day of the last month of each calendar quarter during the term hereof, subject to the timely receipt of reports requested under Paragraph 9 below, NBC shall pay Station, by electronic transfer or such other means as NBC shall determine, an estimate of the amounts due hereunder for such calendar quarter. NBC shall make the appropriate adjustment for the payment actually due for such calendar quarter in the payment of the estimated amount due for the next calendar quarter. NBC shall calculate the amounts due hereunder on a weekly basis and shall report such amounts to Station within a reasonable period of time after the close of each month during the term.

(ii) From the amounts otherwise payable to Station hereunder, NBC shall deduct for each week during each calendar quarter of the term hereof a sum equal to 20% of Station's Network Station Rate provided in subparagraph 5(a)(i)(A) above (the "Waiver Percentage"); provided that in the event that Station's current method of receiving NBC programming is no longer applicable, the Waiver Percentage shall be increased to 217% (subject to the provisions of Paragraph 5(d)(i)(Z) below). This deduction shall be calculated on a weekly basis, with 4.2857 as the agreed number of weeks per month, and shall be reported to Station with the reports due under subparagraph 5(c)(i) above. NBC shall make other deductions from the amounts otherwise payable to Station hereunder for additional services made available by NBC and utilized by Station such as, but not limited to, NBC News Channel.

(d) (i) As part of NBC's customary annual performance evaluation of the NBC affiliated broadcast television stations (collectively, the "NBC Affiliates"), NBC may decrease or increase the Pool (as defined below) only by a percentage amount which is equal to or less than the corresponding percentage decrease or increase, as applicable, in the Adult Audience Delivery (as defined below) during the prior Broadcast Year as compared to the Adult Audience Delivery during the Broadcast Year immediately preceding such prior Broadcast Year. Notwithstanding the foregoing, (A) any such adjustment in the amount of the Pool for any calendar year during the term of this Agreement shall not exceed five percent (5%) of the amount of the Pool for the prior calendar year, and (B) the 1994 Pool amount shall remain in effect during calendar years 1995 and 1996. As used herein, "Pool" shall mean, with respect to any calendar year, the aggregate of the Network Station Rates for all NBC Affiliates during such calendar year, and "Adult Audience Delivery," with respect to any Broadcast Year, shall mean the Adult 18-49 audience delivery of all NBC Affiliates as measured by the average of the NSI Sweeps in November, February and May during such

Broadcast Year or such other demographic that becomes the primary selling demographic for Prime Time by the NBC Television Network; provided that in the event NBC changes its Primary Selling Demographic with respect to a Broadcast Year during the term hereof, NBC shall announce such change during July preceding the commencement of such Broadcast Year.

Subject to the limitations set forth below, NBC reserves the right as part of a general rate revision to reevaluate and change at any time: (A) the Network Station Rate set forth in subparagraph 5(a)(i)(A) above, (B) the percentages set forth in the Compensation Table, or (C) the Waiver Percentage set forth in subparagraph 5(c)(ii) above, by giving written notice to Station at least thirty (30) days prior to the effective date of such change. Notwithstanding the foregoing, NBC agrees that:

(X) In no event during the term of this Agreement shall the percentage of the Pool represented by Station's Network Station Rate (the "Station's Pool Percentage") be reduced to an amount which will result in (aa) if Station's Rate Index (as defined below) is less than 1 as of the date hereof, a Rate Index less than Station's Rate Index as of the date hereof or (bb) if Station's Rate Index is 1 or more as of the date hereof, a Rate Index of less than 1; and provided further, that NBC shall be permitted to reduce Station's Network Station Rate pursuant to subparagraph 5(d)(ii) below. As used herein, "Rate Index" shall mean the number obtained by dividing (cc) Station's Pool Percentage by (dd) Station's "NBC Percent" (i.e. the relative contribution to NBC (expressed as a percentage) as determined in NBC's customary annual performance evaluation of all NBC Affiliates);

(Y) the Compensation Table attached hereto as Exhibit B shall be modified during the term of this Agreement only as mutually agreed to by NBC and Station or as may be recommended by the NBC Affiliate Board; and

(Z) NBC may increase the Waiver Percentage only by reason of an increase in NBC's technical costs of delivering programming to the NBC Television Network; provided that any such increase in the Waiver Percentage shall be subject to review by the NBC Affiliate Board.

(ii) Notwithstanding anything contained in subparagraph 5(d)(i) to the contrary, the parties acknowledge that the payment of compensation to Station hereunder is in consideration of certain commitments by Station, including commitments regarding Station's promotion



of NBC programming as set forth in Exhibit C attached hereto, which Exhibits are incorporated herein by this reference. In the event that Station does not fulfill such commitments as are set forth in Exhibit C in all years during the term of this Agreement, NBC reserves the right to decrease Station's Network Station Rate by notifying Station in writing at least ninety (90) days prior to the effective date of such change.

6. Additional Consideration. In consideration of Station entering into this Agreement and Station's performance of its obligations under this Agreement, NBC agrees to pay to Station the additional amounts (the "Additional Payments") set forth on Exhibit D hereto, subject to the provisions thereof.

7. Local Commercial Announcements. Subject to the following sentence, NBC agrees that during each quarter during the term of this Agreement, the average weekly number of minutes available for Station's local commercial announcements in and adjacent to regularly scheduled NBC programming in each daypart (with pro-rated adjustments for national sports programming, special news coverage or other special events) shall not be less than ninety-five percent (95%) of the average weekly number of minutes for the applicable daypart during the 1993-94 Broadcast Year as set forth in Exhibit E attached hereto (except if the reduction is due to a change in applicable government regulations). In the event of a reduction in the average weekly number of minutes available for Station's local commercial announcements in and adjacent to regularly scheduled NBC programming which causes NBC not to be in compliance with the foregoing provision, NBC agrees to offset the effects of such reduction by providing Station with a comparable economic benefit, which benefit may take the form of local coverage of NBC promotional announcements, an increase in the amount of Station's preemptions permitted under Paragraphs 3(b), 3(c) or 3(d) hereof, or other form of benefit. The foregoing provisions of this Paragraph 7 are not intended to facilitate any disproportionate change by NBC in the allocation of the number of minutes available for Station's local commercial announcements in and adjacent to regularly scheduled NBC programming among different time periods in any daypart, if such change is solely for NBC's economic benefit.

8. Delivery. NBC shall transmit the programming hereunder by satellite and shall notify Station as to both the satellite and transponder being used for such transmission, and the programming shall be deemed delivered to Station when transmitted to the satellite. Where, in the opinion of NBC, it is impractical or undesirable to furnish a program over satellite facilities, NBC may deliver the program to Station in any other manner, including but not limited to, in the form of motion picture film, video tape or other recorded version, postage prepaid, in sufficient time for Station to broadcast the program

at the time scheduled. Such recordings shall be used only for a single television broadcast over Station, and Station shall comply with all NBC instructions concerning the disposition to be made of each such recording received by Station hereunder.

9. Conditions of Station's Broadcast. Station's broadcast of NBC programming shall be subject to the following terms and conditions:

(a) Station shall not make any deletions from, or additions or modifications to, any NBC program furnished to Station hereunder or any commercial, NBC identification, program promotional or production credit announcements or other interstitial material contained therein, nor broadcast any commercial or other announcements (except emergency bulletins) during any such program, without NBC's prior written authorization. Station may, however, delete announcements promoting any NBC program which is not to be broadcast by Station, provided that such deletion shall be permitted only in the event and to the extent that Station substitutes for any such deleted promotional announcements other announcements promoting NBC programs to be broadcast by Station.

(b) For purposes of identification of Station with the NBC programs, and until written notice to the contrary is given by NBC, Station may superimpose on various Entertainment programs, where designated by NBC, a single line of type, not to exceed fifty (50) video lines in height and situated in the lower eighth raster of the video screen, which single line shall include (and be limited to) Station's call letters, community of license or home market, channel number, and the NBC logo. No other addition to any Entertainment program is contemplated by this consent, and the authorization contained herein specifically excludes and prohibits any addition whatsoever to News and Sports programs, except identification of Station as provided in the preceding sentence as required by the FCC.

(c) The placement and duration of station-break periods provided for locally originated announcements between NBC programs or segments thereof shall be designated by NBC. Station shall broadcast each NBC program delivered to Station hereunder from the commencement of network origination until the commencement of the terminal station break.

(d) In the event of the confirmation by NBC of any violation by Station of any of the provisions of this Paragraph 8, NBC may, in its reasonable discretion, withhold an amount of compensation otherwise due Station under Paragraph 5 above which is appropriate in view of the nature of the specific violation, it being understood that the amount withheld for any violation shall not exceed the total compensation due Station for the week in which such violation occurs. Nothing contained in this

Paragraph 9(d) shall limit the rights of Station under Paragraph 4(c) above.

10. Station Reports. Station shall submit to NBC in writing, upon forms provided by NBC, such reports as NBC may request covering the broadcast by Station of programs furnished to Station hereunder.

11. Music Performance Rights. All programs delivered to Station pursuant to this Agreement shall be furnished with all music performance rights necessary for broadcast by Station included. Station shall have no responsibility for obtaining such rights from ASCAP, BMI or other music licensing societies insofar as the programs delivered by NBC to Station for broadcasting are concerned. As used in this paragraph, "programs" shall include, but shall not be limited to, program and promotional material and commercial and public service announcements furnished by NBC. Station shall be responsible for all music license requirements for any commercial and public service announcements or other material inserted by Station within or adjacent to the programs as permitted under the terms of this Agreement, except for cut-ins produced by or on behalf of NBC and inserted by Station at NBC's direction.

12. Force Majeure. Neither Station nor NBC shall incur any liability hereunder because of NBC's failure to deliver, or the failure of Station to broadcast, any or all programs due to failure of facilities, labor disputes, government regulations or causes beyond the reasonable control of the party so failing to deliver or to broadcast. Without limiting the generality of the foregoing, NBC's failure to deliver a program for any of the following reasons shall be deemed to be for causes beyond NBC's reasonable control: cancellation of a program because of the death, illness or refusal to appear or perform of a star or principal performer thereon, or because of such person's failure to conduct himself or herself with due regard to social conventions and public morals and decency, or because of such person's commission of any act or involvement in any situation or occurrence tending to degrade him or her in society, or bringing him or her into public disrepute, contempt, scandal or ridicule, or tending to shock, insult or offend the community, or tending to reflect unfavorably upon NBC or the program sponsor.

13. Indemnification. NBC shall indemnify, defend and hold Station, its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless from and against all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of the use by Station, in accordance with this Agreement, of any program or other material as furnished by NBC hereunder, provided that Station promptly notifies NBC of any claim or litigation to which this indemnity shall apply, and that Station cooperates fully with NBC in the defense or settlement of such claim or

litigation. Similarly, Station shall indemnify, defend and hold NBC, its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless with respect to material added to or deleted from any program by Station, except for cut-ins produced by or on behalf of NBC and inserted by Station at NBC's direction. These indemnities shall not apply to litigation expenses, including attorneys' fees, which the indemnified party elects to incur on its own behalf. Except as otherwise provided herein, neither Station nor NBC shall have any rights against the other for claims by third persons, or for the non-operation of facilities or the non-furnishing of programs for broadcasting, if such non-operation or non-furnishing is due to failure of equipment, actions or claims by any third person, labor disputes, or any cause beyond such party's reasonable control.

14. Station's Right of First Negotiation. Throughout the term of this Agreement, NBC shall give Station prompt notice of any determination by NBC to engage in new over-the-air broadcast ventures within Station's community of license (whether or not involving the transmission of television programs, but excluding any acquisition of an ownership interest in any broadcast television station) (a "Broadcast Venture"). NBC shall negotiate exclusively with Station in good faith, for a period of time following such notice to Station as shall be determined by NBC to be appropriate to the circumstances and as shall be specified in such notice, with respect to Station's participation on a financial and/or operational basis in any such Broadcast Venture within Station's community of license before NBC may enter into any such negotiations with a Third Party (as defined below) within such community of license. "Third Party" shall mean any person or entity other than an NBC Party; "NBC Party" shall mean any of NBC, National Broadcasting Company, Inc. or their respective parent, subsidiary, affiliated, related or successor entities.

15. Change in Operations. Station represents and warrants that it holds a valid license granted by the FCC to operate the Station as a television broadcast station; such representation and warranty shall constitute a continuing representation and warranty by Station. In the event that Station's transmitter location, power, frequency, programming format or hours of operation are materially changed at any time so that Station is of less value to NBC as a broadcaster of NBC programming than at the date of this Agreement, then NBC shall have the right to terminate this Agreement upon thirty (30) days prior written notice to Station.

16. Assignment.

(a) This Agreement shall not be assigned without the prior written consent of NBC, and any permitted assignment shall not relieve Station of its obligations hereunder. Any purported

assignment by Station without such consent shall be null and void and not enforceable against NBC.

(b) Station agrees to include as a condition of any proposed assignment, sale or transfer of ownership or control of Station (including, without limitation, any assignment or transfer referred to in Paragraph 16(c) below other than a "short-form" assignment) a contractually binding provision that the assignee or transferee shall assume and become bound by this Agreement for (i) the remainder of the then-current term of this Agreement or (ii) three (3) years from the date of said assignment or transfer, whichever period is greater. Station acknowledges that any such assignment, sale or transfer which does not so provide for such assumption and for NBC's right to extend the term of this Agreement will cause NBC irreparable injury for which damages are not an adequate remedy. Therefore, Station agrees that NBC shall be entitled to seek an injunction or similar relief from any court of competent jurisdiction restraining Station from committing any violation of this Paragraph 16(b).

(c) Station agrees that if any application is made to the FCC pertaining to an assignment or a transfer of control of Station's license, or any interest therein, Station shall immediately notify NBC in writing of the filing of such application. Except as to "short form" assignments or transfers of control made pursuant to Section 73.3540(f) of the current FCC Rules, NBC shall have the right to terminate this Agreement in the event of any assignment or transfer. Station agrees that promptly following Station's notice to NBC, Station (i) except in the case of "short form" assignments or transfers of control, shall arrange for a meeting between NBC and the proposed assignee or transferee to review the financial and operating plans of the proposed assignee or transferee, and (ii) shall procure and deliver to NBC, in form satisfactory to NBC, the agreement of the proposed assignee or transferee that, upon consummation of the assignment or transfer of control of the Station's license, the assignee or transferee will assume and perform this Agreement in its entirety without limitation of any kind. If Station complies with its obligations set forth in the preceding sentence and NBC does not terminate this Agreement upon written notice to Station within the thirty (30) day period following the later of the meeting with the proposed assignee or transferee or the delivery to NBC of a satisfactory assumption agreement, NBC shall be deemed to have consented to the assignment or transfer of control.

(d) NBC agrees that in the event of a sale or transfer of all or substantially all of the assets or business of NBC (whether structured as a sale or transfer of equity or assets of NBC), NBC agrees to assign this Agreement to the purchaser or transferee and to cause such purchaser or transferee to assume NBC's obligations hereunder; provided that the foregoing

agreement shall not apply in the event that this Agreement becomes an obligation of such purchaser or transferee by operation of law. Upon such assignment and assumption, NBC shall have no liability to Station under this Agreement with respect to obligations arising after the effective date of such assignment and assumption.

17. Unauthorized Copying and Transmission. Station shall not authorize, cause, or permit, without NBC's consent, any program or other material furnished to Station hereunder to be recorded, duplicated, rebroadcast or otherwise transmitted or used for any purpose other than broadcasting by Station as provided herein. Notwithstanding the foregoing, Station shall not be restricted in the exercise of its signal carriage rights pursuant to any applicable rule or regulation of the FCC with respect to retransmission of its broadcast signal by any cable system or multichannel video program distributor ("MVPD"), as defined in Section 76.64(d) of the FCC Rules, which (a) is located within the Area of Dominant Influence ("ADI"), as defined by Arbitron, in which Station is located, or (b) was actually carrying Station's signal as of April 1, 1993, or (c) with respect to cable systems, serving an area in which Station is "significantly viewed" (as determined by the FCC) as of April 1, 1993; provided, however, that any such exercise pursuant to FCC Rules with respect to NBC programs shall not be deemed to constitute a license by NBC; and provided, further, that at such time as NBC adopts a term in substitution for the term "ADI" by reason of any similar action by the FCC or other appropriate authority, such substitute term shall replace the references to "ADI" herein. NBC reserves the right to restrict such signal carriage with respect to NBC programming in the event of a change in applicable law, rule or regulation.

18. Limitations on Retransmission Consent. In consideration of the grant by NBC to Station of the non-duplication protection provided in the most recent amendment to this Agreement, Station hereby agrees as follows:

(a) Station shall not grant consent to the retransmission of its broadcast signal by any cable television system, or, except as provided in Paragraph 18(b) below, to any other MVPD whose carriage of broadcast signals requires retransmission consent, if such cable system or MVPD is located outside the ADI to which Station is assigned, unless Station's signal was actually carried by such cable system or MVPD as of April 1, 1993, or, with respect to such cable system, is "significantly viewed" (as determined by the FCC) as of April 1, 1993; provided, however, that at each renewal of this Agreement, in the event Station can demonstrate to NBC that it is "significantly viewed" (as determined by the FCC) in areas in addition to those in which it was "significantly viewed" as of April 1, 1993 ("Additional Viewing Areas"), NBC agrees that it will negotiate in good faith with Station regarding a possible

extension of Station's grant of the right to retransmit its broadcast signal to cable systems in the Additional Viewing Areas.

(b) Station shall not grant consent to the retransmission of its broadcast signal by any MVPD that provides such signal to any home satellite dish user, unless such user is located within Station's own ADI or is an "unserved household" as defined in Section 119(d) or any successor provision of Title 17 of the United States Code.

19. Remedies for Unauthorized Copying and Transmission. If Station violates any of the provisions set forth in Paragraphs 17 and 18 above, NBC may, in addition to any other of its rights or remedies at law or in equity under this Agreement or any amendment thereto, terminate this Agreement by written notice to Station given at least ninety (90) days prior to the effective date of such termination.

20. "Branding" Plan. NBC agrees to work with the Station to "brand" the Station as an "NBC Station" in the Station's market through cooperative efforts in areas such as on-air promotion, unified graphic design, use of the NBC peacock logo and NBC identification. In connection with such efforts, NBC will make available to the Station the expertise of the NBC Advertising and Promotion department and appropriate access to NBC research. The Station agrees to be branded as an "NBC Station" and to participate in the foregoing branding promotion plan during the term hereof. The parties agree that the purpose of the branding effort is to cause the Station to be identified, in the perception of television viewers, as an "NBC Station" similar to such viewers' perception of National Broadcasting Company, Inc.'s owned and operated stations as "NBC Stations." NBC and Station agree to consult with each other, promptly after execution hereof, with respect to implementation of such branding undertaking.

21. HDTV Conversion. Station acknowledges that its obligations hereunder shall extend to any additional spectrum allocated to Station or any of its affiliated entities and utilized for advanced or high definition television transmissions on a simulcast basis with Station's current NTSC channel. Without limiting the generality of any other provision hereof, in the event that Station or any of its affiliated entities transmits an advanced/high definition television ("ATV") signal in Station's community of license, Station agrees that, to the extent that NBC provides an ATV feed containing NBC programming otherwise provided to Station hereunder, Station shall transmit or cause the transmission of NBC programming contained in such ATV feed in a manner consistent with Station's clearance obligations hereunder. It is the parties intention that such NBC programming contained in such feed shall be transmitted on the ATV channel allocated to Station (or an affiliated entity) on a

"paired" basis with Station's current NTSC channel; notwithstanding the foregoing, Station agrees that, in any event, NBC programming in an ATV feed shall be transmitted on the ATV channel which transmits the preponderance of Station's locally produced programming (including news) and syndicated programming that is transmitted on Station's NTSC channel and is also available in an ATV format. To the extent that Station is not transmitting an ATV signal, NBC shall be permitted to offer NBC programming in an ATV format to any licensee transmitting an ATV signal in Station's community of license without complying with the provisions of Paragraphs 2(b), 2(c) or 14 hereof; provided, however, that such license shall be terminable by NBC on not more than six (6) months notice in the event that Station serves notice on NBC that it has commenced transmitting an ATV signal in its community of license. The foregoing commitments are conditioned upon the promulgation of FCC regulations authorizing ATV transmissions (the "ATV Rules") which are not inconsistent with such commitments as they relate to ATV transmission; in the event that the foregoing commitments are prohibited by or are otherwise inconsistent with the ATV Rules, the parties agree to negotiate in good faith as to mutually acceptable substitute or modified provisions which provide for the ATV transmission of NBC programming within Station's community of license.

22. Applicable Law. The obligations of Station and NBC under this Agreement are subject to all applicable federal, state, and local laws, rules and regulations (including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC), and this Agreement and all matters or issues collateral thereto shall be governed by the law of the State of New York applicable to contracts negotiated, executed and performed entirely therein (without regard to principles of conflicts of laws).

23. Waiver. A waiver by either of the parties hereto of a breach of any provision of this Agreement shall not be deemed to constitute a waiver of any preceding or subsequent breach of the same provision or any other provision hereof.

24. Notices. Any notices hereunder shall be in writing and shall be given by personal delivery, overnight courier service, or registered or certified mail, addressed to the respective addresses set forth on the first page of this Agreement or at such other address or addresses as may be specified in writing by the party to whom the notice is given. Such notices shall be deemed given when personally delivered, delivered to an overnight courier service or mailed, except that notice of change of address shall be effective only from the date of its receipt.

25. Captions. The captions of the paragraphs in this Agreement are for convenience only and shall not in any way affect the interpretation hereof.



26. Entire Agreement. The foregoing constitutes the entire agreement between Station and NBC with respect to the subject matter hereof, all prior understandings being merged herein, except for the most recent amendment with respect to network non-duplication protection under FCC Rules Section 76.92. This Agreement may not be changed, modified, renewed, extended or discharged, except as specifically provided herein or by an agreement in writing signed by the parties hereto.

27. Confidentiality. The parties agree to use their best efforts to preserve the confidentiality of this Agreement and of the terms and conditions set forth herein, and the exhibits annexed hereto, to the fullest extent permissible by law. The parties recognize that Section 73.3613 of the FCC's Rules and Regulations requires the filing with the FCC of television network affiliation agreements by each affiliate, but are unaware of any requirement for the filing of exhibits annexed to such affiliation agreements. In the event that the FCC should request either party to file said exhibits, that party shall give prompt notice to the other, and shall submit said exhibits to the FCC with a request that said exhibits be withheld from public inspection pursuant to Section 0.459 of the FCC's Rules and Regulations on the grounds that said exhibits contain confidential commercial or financial information that would customarily be guarded from competitors and not be released to the public.

28. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature to each such counterpart were upon the same instrument.

If the foregoing is in accordance with your understanding, please indicate your acceptance on the copy of this Agreement enclosed for that purpose and return that copy to NBC.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

By: John Damiano

AGREED:

CONTINENTAL TELEVISION NETWORK INC.

By: Penny L. Adkins  
Corp VP

EXHIBIT "A"

ECONOMIC ADJUSTMENTS

Adjustments due to a preemption of or other failure to broadcast an NBC program referred to in Paragraph 4(b) of this Agreement will be calculated using the following two factors:

1. "Station's NBC delivery percentage" which is the Station's audience contribution to NBC Network programs expressed as a percentage. (This is the same NBC delivery percentage used in the annual compensation evaluation.)

2. "Program revenue" which is the average NBC Network revenue for the preempted program. (NOTE: Program revenue will be the average revenue per program based on total annual revenue for that program, except revenue for each prime time program, which will be adjusted for the day of the week and the quarter in which the program is aired.)

Station's NBC delivery percentage is multiplied by the program revenue to yield the dollar adjustment. An example:

Station preempts "Program X"

Station's NBC Network delivery % = 2.1%

NBC'S revenue for "Program X" = \$900,000

$\$900,000 \times 2.1\% = \$18,900$  payment to NBC



KTGF, GREAT FALLS, MONTANA

EXHIBIT "B"

Compensation Matrix

(NETWORK STATION RATE \_\_\_\_\_ X HOURS CARRIED X % BELOW)

MON - SUN	6PM - 11PM*	30%
MON - SUN	5PM - 6PM*	15%
	11PM - 1AM	
SAT - SUN	4PM - 5PM	
MON - FRI	7AM - 5PM***	10.98%
SUN	7AM - 4PM**	10.5%
SAT	2PM - 4PM	
SAT	6AM - 2PM**	7.88%
NIGHTLY NEWS	MON - FRI	0%
NIGHTLY NEWS	SAT - SUN	10%
TONIGHT SHOW		7.5%
LATE NIGHT		10.25%
FRIDAY NIGHT		4.75%
LATER		4%
SATURDAY NIGHT LIVE		6.67%

\*EXCLUDING NIGHTLY NEWS

\*\*EXCLUDING SATURDAY AND SUNDAY TODAY

\*\*\*EXCLUDING TODAY

All times above are expressed in terms of your station's then current local time.



EXHIBIT "C"

December 19, 1995

Ms. Penny Adkins  
Corporate Vice President  
KTGF  
116 Sixth Street South  
Great Falls, MT 59403

Dear Penny:

Enclosed are forms for participating in the 10% Primetime Promotion Compensation Plan (also known as the 2600 GRP Plan) in 1996. The "Planning Worksheet" should be filled out with your projected GRP delivery for each quarter and faxed to me as soon as possible. The quarterly submission sheet should be filled in with your actual GRP delivery, signed and faxed to me by the fifteenth of the month following each quarter. No back-up is required.

To review the plan, the idea is for affiliates to support NBC's primetime line-up, especially the lead-in programs to your late news, with local promotion time. 10% of your station's compensation is tied directly to you running a total of 2600 HH GRP's of primetime promotion per year in early fringe, early news and prime access. To accommodate sales demands stations can deliver within a range of 325 to 975 GRP's per quarter. Even though we will only credit your station with a maximum of 975 GRP's per quarter, you should write down how many GRP's you actually run.

The spots to be run are fed out on the daily A&P feed, and NBC's Affiliate Advertising & Promotion Services Department provides the promotion priorities via Promophone. Also, the GRP's delivered for this plan count towards your on-air commitment for the 1996 Swap programs outlined in September by Vivi Zigler.

NBC just won the November sweeps, is #1 season-to-date and is the only network to have shown year-to-year increases. Your station's promotion definitely contributed to this success, and we hope that you continue to put your promotional muscle behind NBC's primetime programming.

Wishing you a very happy holiday and much success in the New Year!

Best regards,

  
Judi Kritch

Enclosures

cc: Jim Colla, Cheryl Cordeiro, KTGF

# 1996 PRIMETIME PROMOTION PLANNING WORKSHEET

PLEASE RETURN COMPLETED FORM  
TO YOUR REGIONAL DIRECTOR'S ATTENTION AT  
FAX NO. (818) 840-4310

CALLS/MARKET: \_\_\_\_\_ ACCOUNT EXECUTIVE: \_\_\_\_\_

## PROMOTION PLAN ESTIMATE

HH GRP'S  
2600

FIRST QUARTER GRP'S

\_\_\_\_\_

SECOND QUARTER GRP'S

\_\_\_\_\_

THIRD QUARTER GRP'S

\_\_\_\_\_

FOURTH QUARTER GRP'S

\_\_\_\_\_

TOTAL AMOUNT GRP'S

( \_\_\_\_\_ )

TOTAL GRP'S

(OVER)/UNDER TARGET

=====

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

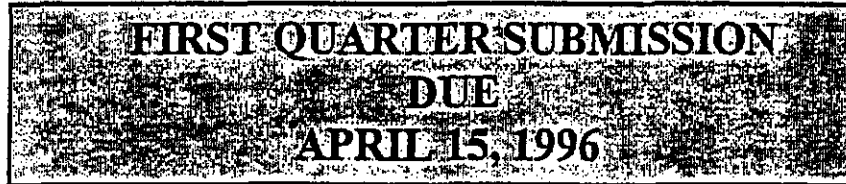
NOTE THAT THE GRP'S PER QUARTER SHOULD BE WITHIN A  
RANGE OF A MINIMUM OF 325 HH GRP'S TO A MAXIMUM OF 975 HH GRP'S

# 1996 PRIMETIME PROMOTION

PLEASE RETURN COMPLETED FORM NO LATER THAN THE  
15TH OF THE MONTH FOLLOWING THE END OF EACH QUARTER  
TO YOUR REGIONAL DIRECTOR'S ATTENTION AT

FAX NO. (818) 840-4310

CALLS/MARKET: \_\_\_\_\_ ACCOUNT EXECUTIVE: \_\_\_\_\_



HH GRP'S

ANNUAL TARGET

2600

FIRST QUARTER DELIVERY

\_\_\_\_\_

BALANCE TO GO

=====

SIGNED: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

NOTE THAT THE GRP'S PER QUARTER SHOULD BE WITHIN A  
RANGE OF A MINIMUM OF 325 HH GRP'S TO A MAXIMUM OF 975 HH GRP'S

# 1996 PRIMETIME PROMOTION

PLEASE RETURN COMPLETED FORM NO LATER THAN THE  
15TH OF THE MONTH FOLLOWING THE END OF EACH QUARTER  
TO YOUR REGIONAL DIRECTOR'S ATTENTION AT  
FAX NO. (818) 840-4310

CALLS/MARKET: \_\_\_\_\_ ACCOUNT EXECUTIVE: \_\_\_\_\_

**SECOND QUARTER SUBMISSION**  
**DUE**  
**JULY 15, 1996**

## HH GRP'S

ANNUAL TARGET

2600

FIRST QUARTER DELIVERY

\_\_\_\_\_

SECOND QUARTER DELIVERY

\_\_\_\_\_

TOTAL GRP'S TO DATE

( )

BALANCE TO GO

\_\_\_\_\_

SIGNED: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

NOTE THAT THE GRP'S PER QUARTER SHOULD BE WITHIN A  
RANGE OF A MINIMUM OF 325 HH GRP'S TO A MAXIMUM OF 975 HH GRP'S

# 1996 PRIMETIME PROMOTION

PLEASE RETURN COMPLETED FORM NO LATER THAN THE  
15TH OF THE MONTH FOLLOWING THE END OF EACH QUARTER  
TO YOUR REGIONAL DIRECTOR'S ATTENTION AT

FAX NO. (818) 840-4310

CALLS/MARKET: \_\_\_\_\_ ACCOUNT EXECUTIVE: \_\_\_\_\_

**THIRD QUARTER SUBMISSION**  
**DUE**  
**OCTOBER 15, 1996**

	<u>HH GRP'S</u>
ANNUAL TARGET	2600
FIRST QUARTER DELIVERY	_____
SECOND QUARTER DELIVERY	_____
THIRD QUARTER DELIVERY	_____
TOTAL GRP'S TO DATE	(_____)
BALANCE TO GO	=====

SIGNED: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

NOTE THAT THE GRP'S PER QUARTER SHOULD BE WITHIN A  
RANGE OF A MINIMUM OF 325 HH GRP'S TO A MAXIMUM OF 975 HH GRP'S



# 1996 PRIMETIME PROMOTION

PLEASE RETURN COMPLETED FORM NO LATER THAN THE  
15TH OF THE MONTH FOLLOWING THE END OF EACH QUARTER  
TO YOUR REGIONAL DIRECTOR'S ATTENTION AT

FAX NO. (818) 840-4310

CALLS/MARKET: \_\_\_\_\_ ACCOUNT EXECUTIVE: \_\_\_\_\_

**FOURTH QUARTER SUBMISSION**  
**DUE**  
**JANUARY 15, 1997**

## HH GRP'S

ANNUAL TARGET	2600
FIRST QUARTER DELIVERY	_____
SECOND QUARTER DELIVERY	_____
THIRD QUARTER DELIVERY	_____
FOURTH QUARTER DELIVERY	_____
TOTAL DELIVERY	( )
AMOUNT (OVER)/UNDER ANNUAL TARGET	=====

SIGNED: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

NOTE THAT THE GRP'S PER QUARTER SHOULD BE WITHIN A  
RANGE OF A MINIMUM OF 325 HH GRP'S TO A MAXIMUM OF 975 HH GRP'S

## EXHIBIT "D"

### ADDITIONAL PAYMENTS

In consideration of Station entering into this Agreement and Station's performance of its obligations under this Agreement, and subject to Station's compliance with each of its commitments to clear NBC programming as set forth in this Agreement (which the parties expressly agree and acknowledge are the essence of this Agreement), subject to the preemption rights set forth in Paragraphs 3(b) and 3(c) hereof including preemptions for Station's live coverage of local news events, NBC agrees to pay Station, for each quarter during the term of this Agreement an Additional Payment Amount as calculated herein.

1. The "Additional Payment Amount" for the Station for each quarter shall equal the product of (a) the total during such quarter of the hours broadcast live by the Station of NBC Prime Time programming for which compensation is payable, multiplied by (b) the Station's Additional Payment Rate (as defined below).

2. The Station's "Additional Payment Rate" shall be calculated by (a) dividing the Gross Additional Consideration for the Station as set forth below by (b) 1090 Prime Time hours (i.e., the stipulated total number of Prime Time hours for which compensation is payable in a Broadcast Year minus permitted Prime Time preemptions).

3. With respect to any year during the initial term of this Agreement, the "Gross Additional Consideration" for the Station shall be the difference between (a) the Total Amount (as defined below) and (b) the amount of compensation payable to Station for such year calculated on the basis of Station's Network Station Rate as of the date hereof, the Compensation Matrix and Station's clearance of all NBC programming (giving effect to all actual preemptions permitted under Paragraphs 3(b) and 3(c) of this Agreement). For 1996 and other years in which there are Olympic or other special event programs for which compensation is generally not payable to other NBC affiliated stations, such programs will be treated as if they are compensable for purposes of calculating the amount of Station's compensation pursuant to the foregoing clause (b) of this Paragraph 3. The "Total Amount" shall be the amounts set forth below with respect to each year during the term of this Agreement:

<u>Year</u>	<u>Total Amount</u>
1 July 95-96	\$255,000
2 July 96-97	\$260,000
3 July 97-98	\$265,000
4 July 98-99	\$270,000
5 July 99-00	\$275,000
6 July 00-01	\$280,000
7 July 01-02	\$285,000
8 July 02-03	\$290,000
9 July 03-04	\$295,000
10 July 04-05	\$300,000

4. The Additional Payment Amount shall be paid to Station quarterly at the time compensation is payable to the Station.

**EXHIBIT "E"**  
**LOCAL INVENTORY**  
**REGULAR SCHEDULED PROGRAMS**

	<u>Weekly Units</u>	<u>Weekly Minutes</u>
Primetime	106	53'
Late Night	215	107' 30"
Daytime	115	57' 30"
News	219	109' 30"



September 15, 1998

Dear NBC Partner:

This correspondence will serve as the formal documentation of the NBC "Inventory Management Plan." The plan was unanimously endorsed by the Affiliate Board at our May, 1998 convention in Los Angeles. Attached is also an edited version of the original letter sent to you in May outlining the details of the plan. It reflects changes the Board requested on the affiliates' behalf during our discussions. Each station will be sent an individual letter by their Regional Director reconfirming participation in the "Inventory Management Plan."

We ask that the documentation and discussions regarding the plan be treated as confidential. It is further evidence of what NBC and its affiliates can accomplish with proactive and positive dialogue.

Should you have any questions, please contact Affiliate Relations. Let's look forward to a great '98-'99 season.

Sincerely,

A handwritten signature in cursive script, reading "John F. Damiano".

John F. Damiano  
Sr. VP, Affiliate Relations  
NBC TV Network

A handwritten signature in cursive script, reading "Alan Frank".

Alan Frank  
Vice President & General Manager  
WDIV, Detroit, MI



May 1, 1998 ( Edited Version September 11, 1998)

Dear Affiliate:

NBC and its affiliates have cooperated in launching the "Olympic Plan" which has successfully created value for stations and the network. The value created on the network side was to help defray the rights fees for a very special television event. The growing financial pressures of our business make it necessary that we continuously attempt to maximize our resources and not wait for such special events to trigger a process like this.

NBC is studying program formats under the Six Sigma Quality Initiative that all GE businesses are employing worldwide. Part of that effort is to look for ways to maximize the return on both local and national inventory. We must take advantage of the differences between CPM's in the Spot market and the network marketplace.

In that vein, NBC and the Affiliate Board are in the process of developing an "Inventory Management Plan" that will maintain the elements of the current "Olympic Plan" and add further bartering of inventory and cash. The combination of these two plans is the first step in what will be an ongoing process to maximize return on inventory. The new plan will supersede the "Olympic Plan" and both parties will take the same business risk, i.e., it will eliminate the previous targeted commitments and obligations of stations relative to the Olympics through 2008 and affiliates will not participate in any potential network profits. The additional elements of the new plan are similar to the current "Olympic Plan" in that we're swapping cash and inventory with a resultant positive impact on stations and the network.

#### **Inventory Management Plan**

Here is an itemized list of the new elements which will be added to the current "Olympic Plan".

Affiliates receive from NBC:

- One 30 second spot in "ER" weekly. (Effective 9/24/98)
- The 90 second internal break in Tuesday's 8:30-9:00 PM NYT program will be moved to 9:00 PM thereby making it an adjacency to "Just Shoot Me" and more valuable for sale. Should "Just Shoot Me" be moved or canceled, we will provide inventory of equivalent value. (Effective 9/22/98)
- Elimination of annual deductions from the Technical Development Fund (former Overcollection Fund) that were part of the "Olympic Plan". (Effective 12/31/98)
- NBC will reduce the amount of recapturable prime inventory by temporarily guaranteeing a floor of 106 units per week for local sale. 100-is the minimum amount currently required in affiliation agreements.

The 106 unit level is exclusive of the units in the Inventory Plan and units that those stations participating in "swap" receive weekly.  
This change will be effective as long as the "Inventory Management Plan" is in effect.

NBC receives from affiliates:

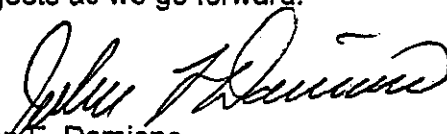
- An incremental cash payment equivalent to three hours of compensation. (Effective 10/1/98)
- Three "Tonight Show" units - three local units from Monday, Tuesday, and Wednesday's programs. (Effective week of 9/7/98)
- One "Conan" unit per night/Friday Night. (Effective week of 9/7/98)

All indications are that this is positive economically for affiliates and NBC alike. Enclosed is a summary of the new "Inventory Management Plan" itemizing the elements continuing from the "Olympic Plan" and the items added to create the new plan.

It's important to remember that the "Inventory Management Plan" will absorb the current "Olympic Plan." Therefore, the time limits and guarantees in the current "Olympic Plan" will terminate with the execution of the "Inventory Management Plan." However, as with the current plan, NBC will make available inventory of equivalent value when a show moves or is canceled. Also, no monies will come out of the Technical Development Fund as part of any inventory/cash exchange. That is, the current "Olympic Plan" deducts a small amount from the Technical Fund. That will not occur with the implementation of the broader "Inventory Management Plan." All other facets of the "Olympic Plan" will continue as part of the new plan.

Our short term goal is to implement this plan no later than September, 1998. The long term strategic goal is to continually review the respective value of all inventory to maximize return. We will also share with you the results and recommended actions that come out of the Six Sigma Quality study on formatting as soon as the study is completed.

We believe this process is another example of NBC affiliates and NBC working in tandem toward common goals and look forward to more proactive and creative projects as we go forward.

  
John F. Damiano  
SVP, Affiliate Relations

# **NBC/AFFILIATE INVENTORY MANAGEMENT PLAN**

**GOAL:** Generate Incremental Value to NBC and Affiliates by Periodically Re-expressing and/or Bartering Cash and Inventory.

**METHOD:** Make Inventory and Compensation Adjustments That Have Positive Impact On Affiliates' and NBC's Cash Flow.

<b>CREATING VALUE VIA EFFICIENT USE OF INVENTORY</b>
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# INVENTORY MANAGEMENT PLAN

Items from  
Current Plan:

## Affiliates Receive From NBC

- 8 Prime :30 Sec Units

## NBC Recaptures From Affiliates

- 3 Hours Comp
- 1 "Nightly" Unit/Day
- 1 "MTP" Unit
- 1 "Today" Unit/Day
- 1 "Tonight" Unit/Day

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Items added to  
Current Plan:

- :30 Sec Unit in "ER"
- 9pm Tue. 90 Sec Break  
in Lieu of 90 Mid break  
in 8:30 pgm. ("Encore"  
to "Shoot Me")
- Elimination of Tech Fund  
deduction
- Reduction in Recapturable  
Inventory.

- 3 Hours. Comp
- 3 "Tonight" Units/Week
- 1 "Conan" Unit/Day

# EXHIBIT C

PHONE: (757) 499-8800

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LONDON

NEWPORT NEWS

NORTHERN VIRGINIA

RICHMOND

VIRGINIA BEACH

WASHINGTON, D.C.

AFFILIATE OFFICE:

DETROIT

March 22, 2001

Our File Number

663456.0004

**VIA FEDERAL EXPRESS**

Jason S. Stevens, Esquire  
Brown Raysman Millstein Felder & Steiner LLP  
120 West Forty-Fifth Street  
New York, NY 10036

Dear Jason:

I enclose the letter agreement in which NBC consents to the assignment and transfer of the KTGF-TV Affiliation Agreement to Max Media. Please have your client sign each of the four copies of the letter agreement and return them to me.

Sincerely,



Kimberly B. Little  
Paralegal

Enclosures

#287757 v1 - l-stevens-kbl NBC



August 10, 2000

Continental Television Network, Inc.  
118 Sixth Street South  
Great Falls, MT 59405  
Attn: Penny L. Adkins, Corporate Vice President

Re: KTGF-TV Affiliation Agreement dated as of April 5, 1996, as amended by  
letter of April 5, 1996 (the "Affiliation Agreement")

Dear Ms. Adkins:

You have advised us that the shareholders ("Sellers") of Continental Television Network, Inc. ("CTN") intend to enter into an agreement (the "Transfer Agreement") pursuant to which Sellers shall transfer and convey to JSB Acquisition Corp. ("JSB"), all of Sellers' right, title and interest in and to all of the outstanding stock of CTN, which owns the assets of Television Station KTGF-TV (Great Falls, Montana) (the "Station"). You have also advised us that JSB intends to further transfer and convey all of JSB's right, title and interest in and to the assets of the Station to Max Media of Montana LLC ("Max Media"), an affiliate of Max Media LLC. Included in the assets to be transferred to Max Media is the Affiliation Agreement.

NBC hereby consents to the assignment and transfer of the Affiliation Agreement to JSB and to the further assignment and transfer of the Affiliation Agreement by JSB to Max Media; provided that such consent is conditioned upon the following agreements and covenants of JSB (effective as of the closing date under the Transfer Agreement) (the "JSB Closing Date") and of Max Media (effective as of the closing date of the transfer and conveyance from JSB to Max Media (the "Max Media Closing Date"), each of JSB and Max Media making such agreements and covenants on its own account and on behalf of the Station:

(a) JSB hereby agrees, effective as of the JSB Closing Date, to assume and become bound by the Affiliation Agreement in its entirety, without limitation of any kind.

(b) Max Media hereby agrees, effective as of the Max Media Closing Date, to assume and become bound by the Affiliation Agreement in its entirety, without limitation of any kind, and to perform all of Seller's obligations thereunder.

(c) Station shall continue to fully participate in the "Inventory Management Plan" as endorsed by the NBC Affiliate Board on May 19, 1998 and in any additional or substitute inventory management plans approved by the NBC Affiliate Board in the future.

(d) Station shall continue to clear and broadcast, for the duration of the term of the Affiliation Agreement, the three (3) hours of educational and children's programming currently offered by NBC on Saturday mornings and referred to as "TNBC Programming".

Subject to the foregoing assumption and agreements by JSB and Max Media, each on its own behalf and on behalf of the Station, as of the JSB Closing Date, Seller shall have no further obligations under the Affiliation Agreement with respect to the periods subsequent to the JSB Closing Date.

Except as otherwise provided herein, all of the terms and conditions of the Affiliation Agreement shall remain in full force and effect. All capitalized terms used herein shall have the meanings ascribed to them in the Affiliation Agreement, unless otherwise defined herein.

This letter agreement shall not be construed as a consent to any further assignment of the Affiliation Agreement except as specifically described above, nor an agreement to waive NBC's right to terminate the Affiliation Agreement upon any other assignment or transfer of control of the Station or its properties.

Please indicate your agreement with and acceptance of the foregoing by signing a copy of this letter where indicated below and returning the same to us.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

By: 

Name: John Damiano

Title: Sr. Vice President, Affiliate Relations

CONTINENTAL TELEVISION NETWORK, INC.

By: \_\_\_\_\_  
Name:  
Title:

JSB ACQUISITION CORP.

By: \_\_\_\_\_  
Name: James Haber  
Title: President

MAX MEDIA OF MONTANA LLC

By: \_\_\_\_\_  
Name:  
Title:

NBC

CONTINENTAL TELEVISION NETWORK, INC.

By: Penny L. Adkins  
Name: Penny L. Adkins  
Title: Corp. VP

JSB ACQUISITION CORP.

By: \_\_\_\_\_  
Name:  
Title:

MAX MEDIA OF MONTANA LLC

By: David J. Wilhelm  
Name: David J. Wilhelm  
Title: Vice President

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## EXHIBIT D



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NEWPORT NEWS  
RICHMOND  
TYSONS CORNER  
VIRGINIA BEACH

WASHINGTON, D.C.  
LONDON

June 21, 2001

Our File Number  
663456.0004

**via FACSIMILE**

James M. Colla, President  
Continental Television Network, Inc.  
c/o Continental Development, Inc.  
P.O. Box 1830  
Great Falls, MT 59403

Re: NBC Affiliation Agreement Assigned By Continental Television  
Network, Inc. to Max Media of Montana, LLC ("Affiliation Agreement")

Dear Mr. Colla:

Our client, Max Media of Montana, LLC, has just been advised that you may be aware of a letter, memorandum or other document from NBC Television Network or its affiliates indicating that NBC would not renew the existing Affiliation Agreement for Great Falls at the end of the current term (July 1, 2005). Please advise as to whether you have ever been told any such thing or received or seen any such letter, memorandum, or document. If one exists and is in your possession or obtainable by you, please furnish a copy of it to me at your earliest convenience.

Thank you for your attention to this matter.

Very truly yours,

  
Thomas R. Frantz

TRF:jpc

cc: John W. Manning, Esquire (via Facsimile)  
Mr. Aubrey E. Loving, Jr. (via Facsimile)  
Mr. David J. Wilhelm (via Facsimile)

#300884 v1 - l-Colla-trf

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# EXHIBIT E